

Audit Plan – Fiscal Year 2013

HHSC Internal Audit Division

November 29, 2012

Audits of HHSC and its Business Partners

- Government Accountability Office
- Federal Inspectors General
- State Auditor's Office
- HHSC Inspector General
- CMS Medicaid Integrity Program
- Required by contract
- Outsourced

Why Internal Audit?

Why Internal Audit?

- Helps management identify and quantify risks
- Proactive
- Knows HHSC programs and structures
- Has the opportunity to review similar processes within and across multiple business areas
- Compares operations not only to required criteria, but also to best practices
- Provides an independent perspective
- Offers recommendations to improve business operations
- Helps mitigate risk

Internal Audit Projects

Operational Audits

- Process improvement
 - Efficiency and effectiveness of management controls within programs and business areas
- Program oversight of contractors
 - Monitoring processes
 - Contract provisions
- Agency and program governance
 - Policy, communication, performance management, and reporting

IT Audits

- Security of data at rest and in transit
 - Physical and logical
- Network performance
 - Availability, capacity, and efficiency
- Data integrity
- Application processing

Audit Plan Development

- Facilitate the annual Business Risk Assessment
 - Identify auditable units
 - Solicit input from management
 - Evaluate risks identified from other sources, such as prior internal and external audits
 - Assess current operating environment and management control structures
 - Obtain executive review and feedback
- Identify potential audits of high risk areas
- Discuss proposed audits with HHSC executive management
- Obtain Executive Commissioner approval

- **Projects In Progress**
 - *Organizational Governance*
 - *HHS Agency Collection of OIG Identified Overpayments*
 - *Center for the Elimination of Disproportionality and Disparities Contract Management*
 - *Medicaid Eligibility and Health Information Services*
 - *Security and Integrity of Data Transferred to and from the Premiums Payable System*
 - *Follow Up of Confidential Data Transfers*
 - *Medical Transportation Program Financial Controls*

- Projects to be Performed
 - *Social Services Contract Management*
 - *Prescription Drug Rebate Program*
 - *Premiums Payable System Application Controls and Related Business Processes*
 - *Follow Up of Medical Transportation Program Contract Monitoring*
 - *Managed Care Contract Monitoring*
 - *Claims Administration Contract Monitoring*
 - *Eligibility Documentation*
 - *Identity and Access Management*
 - *Enterprise Confidential Data Transfers*

Internal Audit Reports Issued in Fiscal Year 2012

- Medical Transportation Program Contract Monitoring
- HHS Enterprise Information Security
- Texas Integrated Eligibility Redesign System (TIERS) Change Management
- Medicaid Fraud and Abuse Detection System (MFADS) Capabilities and Utilization
- Medicaid Management Information System (MMIS) Edits and Audits
- Federally Funded Employee Certification Processes
- Batch Payments Processing

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